

VZCZCXRO1540

PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR

DE RUEHB #1327/01 1100655

ZNY CCCCC ZZH

P 200655Z APR 07

FM USEU BRUSSELS

TO RUEHC/SECSTATE WASHDC PRIORITY

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

RUEHBJ/AMEMBASSY BEIJING PRIORITY

RUEHUL/AMEMBASSY SEOUL PRIORITY

RUEHKO/AMEMBASSY TOKYO PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 001327

SIPDIS

SIPDIS

E.O. 12958: DECL: 04/20/2017

TAGS: [PREL](#) [EAID](#) [KNNP](#) [EUN](#) [JA](#) [KN](#) [KS](#)

SUBJECT: EUROPEAN COMMISSION PREPARED TO INCREASE ASSISTANCE TO DPRK IF COMMITMENTS ARE MET

Classified By: ENLARGEMENT UNIT CHIEF VINCENT CARVER; REASONS 1.5 (B/D)

.

SUMMARY

- - - - -

¶1. (C) EAP PDAS Stephens discussed DPRK with European Commission (EC) Director for Korea/Japan Alan Seatter April 17, outlining developments since the February 13 agreement. Seatter noted that the EU will increase its assistance, particularly regarding food security, if the DPRK implements its international obligations. Stephens welcomed EU interest and agreed to stay in close touch as the six-party process moves forward. Seatter also noted that the EU is about to open free trade agreement negotiations with Seoul. Seatter will be in Washington in early May and would welcome further discussion on DPRK. PDAS Stephens' COASI discussions with the EU reported SEPTEL. END SUMMARY

¶2. (C) EAP PDAS Kathleen Stephens reviewed the DPRK with EC Director for (inter alia) Korea and Japan Alan Seatter April 17 in Brussels. Stephens outlined the state of play in implementing the steps called for in the February 13 agreement, noting that while there had been some positive steps, including IAEA Director El Baradei's visit to Pyongyang and the initial meetings of the five working groups, the DPRK had yet to shut down and seal the Yongbyon facility. The BDA banking issue had turned out to be quite complex, but is now resolved. DPRK rhetoric was relatively positive, but the North needed to act now to get the IAEA team into the DPRK and start shutting down Yongbyon. With the initial actions completed, we supported a ministerial soon after. The next phase -- a complete declaration of the DPRK's nuclear programs and their disablement -- would be even more challenging. But the U.S. remained committed to the complete implementation of the September 2005 joint statement.

EU SUPPORT SIX-PARTY PROCESS; TAKING CAUTIOUS APPROACH

- - - - -

¶3. (C) Seatter stressed that the EC is taking a cautious approach toward the DPRK. Brussels wanted to "send a signal" by sending a delegation to Pyongyang shortly after the February 13 agreement was reached. Its main message was that the EU will take a constructive approach to the DPRK provided that Pyongyang delivers on its commitments "to the U.S. and others, particularly on denuclearization." According to Seatter, the delegation told North Korean officials that the EU supports the denuclearization of the Korean peninsula and wants to promote respect for human rights in the North. The delegation also reviewed the economic, social, and humanitarian situation with an eye to what the EU might do to help. Seatter observed that the North Koreans had appeared "a

bit more open" on denuclearization and did not revert to the "usual rubbish" on human rights.

COMMISSION: MORE FOCUS ON FOOD SUPPLY, ENERGY EFFICIENCY

- - - - -

¶4. (C) Seatter outlined current EU assistance to the North: eight million Euros of humanitarian aid and 15 million Euros for on-going projects, including small scale economic seminars, most of which is administered by NGOs and overseen by a couple of EC contractors (there is no EC official resident in DPRK). Seatter added that there is no EC direct aid to any public DPRK authority. He stressed that the EC will phase out its purely humanitarian aid and shift to programs aimed at securing a steady food supply for DPRK. Unlike the World Food Program, the EC does not see a looming food crisis in the North, he explained.

¶5. (C) Turning to potential further assistance, Seatter noted that the EU is reviewing providing technical support for energy efficiency in the North. "We've been cautious because we don't want to send any false signals," he observed. Member states are cautious as well, he added, and will not move until the right time. The EC might proceed with technical energy efficiency support after the North has implemented its commitments. The EU is also reviewing supporting the IAEA's work, likely with financial assistance.

PDAS Stephens noted that the work of the six-party economic and energy working group, chaired by the ROK, was at a very early stage. The first shipment of heavy fuel oil from the ROK was on hold pending the DPRK's fulfilling of its commitment to shut down Yongbyon. But Stephens noted the EU's active participation in past years in multilateral projects in the DPRK, and she welcomed EC interest in aiding the North's energy sector and helping with IAEA funding once

BRUSSELS 00001327 002.2 OF 002

the DPRK meets its obligations.

RELATED ISSUES

- - - - -

¶6. (SBU) Seatter explained that the EU is about to begin negotiations with Seoul on a free trade agreement. He noted that negotiations may include political topics, including WMD, non-proliferation, human rights, and democratization. In principle, these issues should not present a problem for the South, he said. Seoul may raise DPRK (Kaesong) as well. Stephens explained the approach taken in the US-ROK FTA on Kaesong.

¶7. (U) Seatter noted that he will be in Washington in early May and would welcome a more detailed exchange on DPRK.

¶8. (U) PDAS Stephens has cleared this message.

GRAY

.